



**Fire Protection for Ashland  
Cherryland and San Lorenzo**  
**Report of the Fire District  
Reorganization Committee**



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Local Agency Formation Commission  
of the County of Alameda  
June 1975





FIRE PROTECTION FOR ASHLAND, CHERRYLAND  
AND SAN LORENZO

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REPORT OF THE  
FIRE DISTRICT REORGANIZATION COMMITTEE

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RECOMMENDING REORGANIZATION INTO  
THE EDEN CONSOLIDATED FIRE DISTRICT

LOCAL AGENCY FORMATION COMMISSION OF  
ALAMEDA COUNTY

JUNE 1975



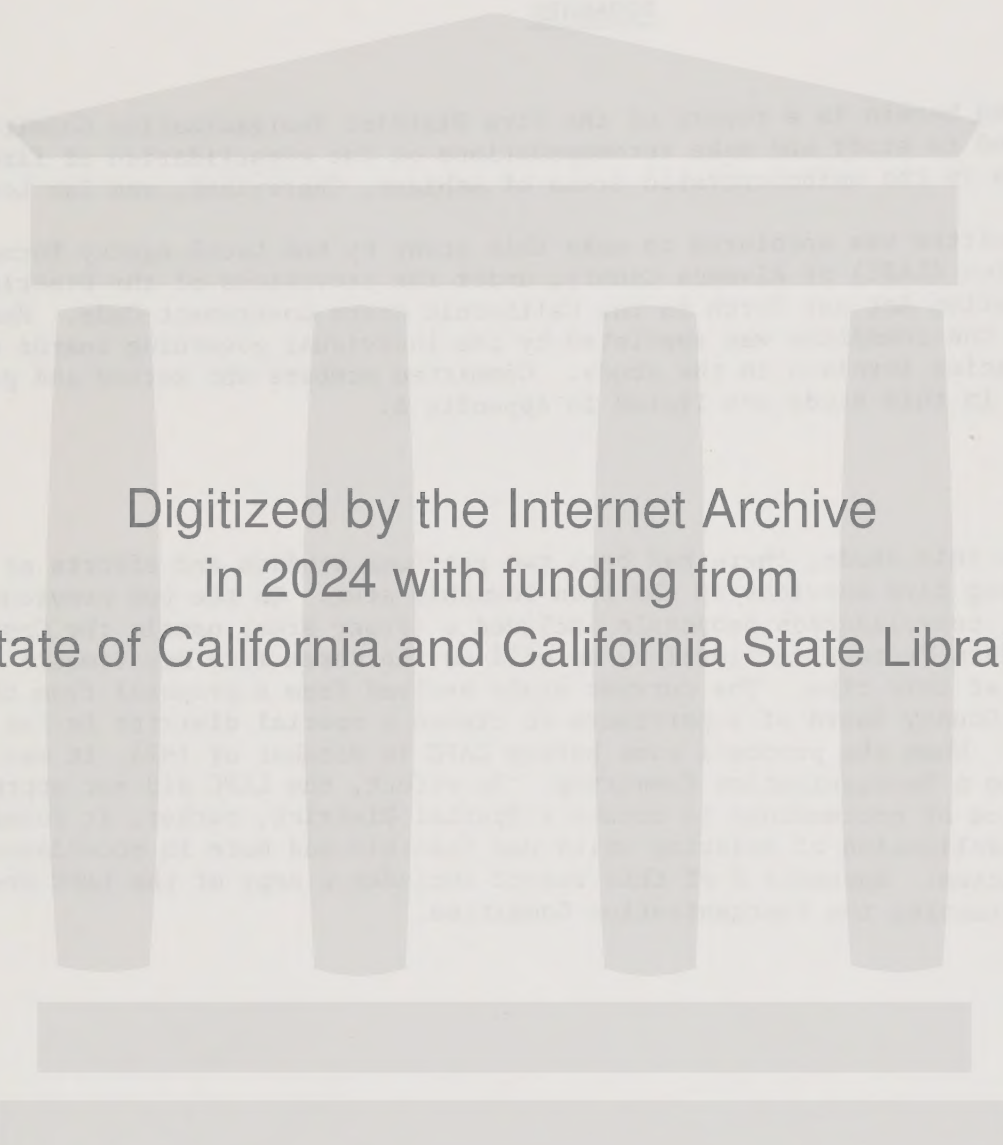
## FOREWORD

Presented herein is a report of the Fire District Reorganization Committee appointed to study and make recommendations on the consolidation of fire services in the unincorporated areas of Ashland, Cherryland, and San Lorenzo.

The Committee was appointed to make this study by the Local Agency Formation Commission (LAFC) of Alameda County, under the provisions of the District Reorganization Act set forth in the California State Government Code. Membership on the committee was appointed by the individual governing boards of the agencies involved in the study. Committee members who served and participated in this study are listed in Appendix A.

## History

Prior to this study, there had been two previous studies and efforts at consolidating fire services in the Eden Township area. On the two previous occasions, consolidation proposals included a larger area; namely the Castro Valley Fire Protection District, as well as the three fire departments being studied at this time. The current study evolved from a proposal from the Alameda County Board of Supervisors to create a special district in San Lorenzo. When the proposal came before LAFC in October of 1974, it was referred to a Reorganization Committee. In effect, the LAFC did not approve initiation of proceedings to create a Special District; rather, it found that consolidation of existing units was feasible and more in accordance with its policies. Appendix E of this report includes a copy of the LAFC resolution creating the Reorganization Committee.



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## TABLE

### FOREWORD

RECOMMENDATIONS . . . . .	2
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### ALTERNATIVES CONSIDERED

Three-Department Consolidation . . . . .	11
Two-Department Consolidation . . . . .	21
Single District . . . . .	27
Contractual Consolidation. . . . .	28
Annexation . . . . .	30

### APPENDICES

A. Committee Membership . . . . .	31
B. Fire Department Data . . . . .	32
C. Map	
D. Minutes of Meetings . . . . .	34
E. LAFC Resolution . . . . .	46
F. Major Financial Demands - Three-Department Operation	48
G. Memorandum on Single District . . . . .	52
H. LAFC Report on Single District . . . . .	53
I. Letters from Hayward & San Leandro on Annexation . . .	58





### Study Approach

As had been done in previous studies, this Committee's philosophy to studying the fire services included:

- . . . Assumption that the existing level of service for all areas being studied should be maintained. More significantly, any change in service delivery should produce an increased service capability.
- . . . The basic items contributing to the level of service, positions and vehicles, would not be increased. In other words, the Committee concentrated on studying the effects of reorganizing only existing resources. Increasing the manpower level was not considered, since judgments to do so are the purview of a future governing policy board.
- . . . Cost factors associated with the reorganized services revolved around known levels for fiscal 1974-75. During the time of the study, it was impossible to anticipate all of the unknown future costs facing the fire service.



## RECOMMENDATIONS

In its fifth meeting on April 17, 1975, the Committee met, deliberated, and approved a series of recommendations. For the most part, these recommendations were based upon information and discussions which had been presented in previous meetings. On June 12, 1975, recommendations of April 17 were discussed and sustained. Several additional recommendations were made and are a part of this Final Report.

The Committee followed the voting methodology set forth in the District Reorganization Act which provides that each agency will have one vote on the Committee. Specifically, while there were three representatives from each area, the majority voting from that area determined the actual one vote cast. Thus, there was a potential of three votes on each question, two being required for approval.





## RECOMMENDATION I

The Committee recommends that Ashland and Cherryland Fire Districts and the San Lorenzo Fire Department in County Service Area F-1965-4 be consolidated into one fire department and district.

Vote: Yes - Ashland, Cherryland, San Lorenzo  
No - None

### Basis of Recommendation

The primary factor which led the Committee to recommend a three-department consolidation is that there can be a significant increase in the level of service without increasing costs. The increased service would be one additional engine company available at all times among the three areas. Instead of there being only one company responding in each independent district, there could be at least two, and probably three, companies, ( meaning pumpers with adequate manpower) available to respond to all structural fires with another company immediately available to move in and assist/or ready to respond to another alarm.

The Committee is not prepared to state categorically that three-district consolidation would save money. This is because future costs for the present methods of operation are unknown, making comparisons difficult; and there is no method for predicting what decisions the future governing board may make which could alter costs. It is reasonable to assume, however, that the impact of escalating costs could be less severe in a consolidated district than with three independent operations.

Other reasons contributing to the recommendation included:

- . . . Provision of one, full-time training officer not currently available.
- . . . Potential improvement in insurance ratings for property owners.
- . . . More efficient utilization of specialized equipment rather than each department acquiring and operating its own at greater costs.
- . . . Less dependence upon volunteers who in recent years have become less available and now are more costly to utilize than in the past.





## RECOMMENDATION I-A

From the first recommendation, the Committee made several subsidiary recommendations relating to a consolidated district.

The Committee recommends that the consolidated district be governed by the Board of Supervisors and that the Board of Supervisors appoint Fire Commissioners from residents of the district to manage its affairs (as provided under Section 13884 of the Health & Safety Code).

Initial Vote :	Yes - Ashland Cherryland	Reconsideration Requested
	No - San Lorenzo	by San Lorenzo

No Motion Made to Reconsider

### Basis of Recommendation

The Committe heard a presentation of an official of Contra Costa County on the success they had with having the Board of Supervisors serve as the governing board, and they in turn appointing Commissioners to manage districts.

Specific advantages presented to the Commission which contributed to this recommendation being adopted included:

- . . . Availability of County purchasing services.
- . . . Usage of County personnel system including testing, classification, grievance procedures, occupational health, and labor relations services.
- . . . Ready access to County Counsel for legal services.
- . . . Potential for better liaison with other county departments providing services in the unincorporated area, such as Sheriff, Public Works (Building Inspection), and Planning Department.
- . . . Availability of changing Commissioners through appointment rather than election.

Opposition heard by the Committee to the recommendation was that if the Board of Supervisors governed the district, local taxpayers would have less control. Even with appointed Commissioners, who would be subject to the Board of Supervisors' desires, there would not be adequate methods for local control and expression of how fire services should be conducted.



## RECOMMENDATION I-B

The Committee recommends that seven Commissioners be appointed by the Board of Supervisors; two each from each of the original agencies which make up the District (Ashland and Cherryland Fire Districts and County Service Area F-1965-4); and one appointee at large.

Vote: Yes- Ashland, Cherryland, San Lorenzo  
No - None

### Basis of Recommendation

The Committee shared the concerns of representatives from the smaller current districts, that appointments could tend to come from one area gradually over a period of years. Such a situation might occur inadvertently, or result through political alliances and relationships. To avoid the prospect of unequal representation, the Committee agreed that appointments should, as much as possible, reflect interest and concerns from all over the consolidated district through appointment of Commissioners from the three original areas and a seventh at-large appointee.





## RECOMMENATION I-C

The Committee recommends that when consolidation is presented to the voters for decisions, that they be asked to approve a \$1.00 maximum tax rate.

Vote: Yes - Ashland, Cherryland, San Lorenzo  
No - None

## Basis for Recommendation

The Committee considered the existing tax rate for each department (Ashland, 87.9¢; Cherryland, 89.7¢; and San Lorenzo, 80.3¢). Since Ashland and Cherryland are currently at maximum tax rate levels, plus San Lorenzo is just under the maximum rate of 81.8¢, it was Committee consensus that a realistic potential maximum rate should be recommended. This does not mean the tax rate will need to go to \$1.00 in the immediate future; however, the Committee believes that a maximum rate should realistically reflect needs into the future. Selecting a higher amount at this time negates the need to return to the voters sooner than if a lower maximum were set. It also provides the governing board with the flexibility to finance unanticipated problems, should they arise, prior to inflation forcing normal operating costs to escalate to the \$1.00 level.





RECOMMENDATION I-D

The Committee recommends that the organization and staffing patterns of the consolidated fire district, as reflected on the following page, be used by the new district.

Vote: Yes - Ashland, Cherryland, San Lorenzo  
No - None

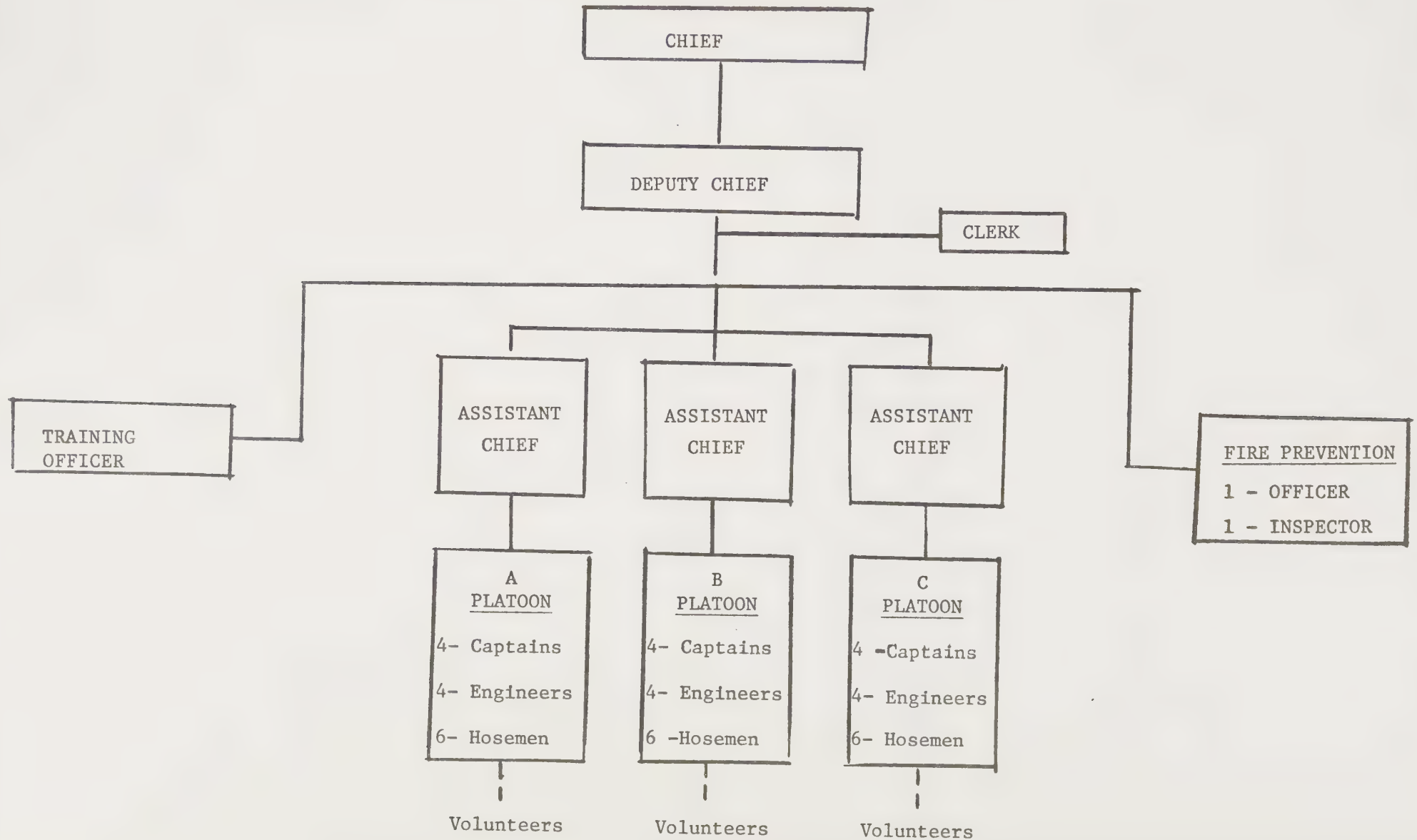
Basis of Recommendation

The recommendation is made with the understanding that staffing patterns and organization of a new fire department is a determination for a future governing body. However, the Committee feels that using the same number of positions that exist currently, and organizing them at levels illustrated would provide the best framework for operations and insure adequate management in all situations.



THREE-DEPARTMENT CONSOLIDATION

ORGANIZATION AND STAFFING







RECOMMENDATION I-E

The Committee recommends that the reorganized district be known as the "Eden Consolidated Fire District."

Vote: No Roll Call; Unanimous Approval

Basis of Recommendation

The Committee recommends this name since it includes, at a minimum, the geographic area of all three original areas. While it is true that the term "Eden" refers to the township which is larger than the three areas, it was deemed appropriate for the reorganized fire service since adjacent departments are named for their specific community.



## RECOMMENDATION I-F

The Committee recommends that cash balances of each original department as of June 30, 1976 be designated as reserves for any construction to replace or improve an original firehouse of the consolidated district firehouse.

Vote: No Roll Call; Unanimous Approval

### Basis of Recommendation

The Committee approved this recommendation in recognition that the individual departments have accumulated funds in excess of actual annual operating budgets. Since such funds have been paid by taxpayers of individual areas, the Committee felt that there should be some assurance that their former respective departments could benefit. There was also fear that if this provision were not included, potentially affected taxpayers might vote against consolidation, due to the possibility that their funds could go to a project where they would not benefit.

## RECOMMENDATION II

The Committee requests that the LAFC provide a definite response to the original proposal from representatives in San Lorenzo (that proposal being that a special fire district be formed in San Lorenzo).

Vote: No Roll Call vote was taken; a voice vote was heard and deemed by the Chairman to have approved the recommendation.

### Basis of Recommendation

Representatives from San Lorenzo expressed the desire to have LAFC provide a definite position on the proposal to form a special district in San Lorenzo. They noted that previously the LAFC had not disapproved the original application, but instead had used it to create this reorganization committee, which in turn, is submitting this report.



## ALTERNATIVES CONSIDERED

### "THREE-DEPARTMENT CONSOLIDATION"

From the outset of the Committee's study, attention focused upon the feasibility of consolidating the three existing fire departments. Special study of this alternative was implicit, since the LAFC had mandated that representatives from the three areas of Ashland, Cherryland, and San Lorenzo be involved in the study. (For readers not familiar with the LAFC's authority, it is noted that the State Legislature specifically authorized LAFCOs to study reorganization of local government units).

The basic determinations the Committee made in studying consolidation of the existing three departments was what would be the advantages and disadvantages if they functioned as one consolidated department. In order to make these determinations, the Committee received an array of data detailing existing conditions within the three departments. This data appears in Appendix B of this report. With this data at hand, the Committee requested a sub-committee made up of two Fire Chiefs and one Captain to develop a presentation of how a consolidated department would function and be staffed. The Committee received this presentation and eventually adopted it as a part of its recommendations. An organization chart reflecting the staffing levels considered appeared earlier in recommendations of this report.

The underlying assumption the Committee used in considering this proposed operation was that only the existing number of positions, which for the most part reflect costs, would be available in a consolidation. Therefore, a total of 51 positions were used in developing the "model." Another key assumption about the operation was the availability of Central Dispatch Services. Such services are now provided to the independent districts and they would also be necessary for a consolidated district to permit full utilization and deployment of manpower.

#### Operations

Briefly stated, a consolidated district would have 4 engine companies on duty at all times. Each company would be organized with one Captain, one Engineer, and at least one Hoseman. The availability of Hosemen would vary, depending upon the number of men off sick or on vacation. However, even allowing for such items as sick leave and vacation, there would almost always be four, complete three-man companies available to respond. Additionally, the four companies working on each shift would be under the command of a Battalion or Assistant Fire Chief. These latter positions would rotate with the shifts and would serve on duty at a fire house. Above the Assistant Chief level would be the Deputy Chief and the Chief. As is present practice, they would be on-call to respond to major incidents.

Actual response to various emergency calls in a consolidated district would depend upon the type of call, operational policy, and perhaps the availability of volunteers. For discussion purposes, however, the Committee considered what would be the normal response to a structural (single dwelling unit) fire.





Such a call would automatically generate a response of three engine companies and an Assistant Chief to the scene. The ability to have three companies answer an initial alarm for a structural fire is a significant improvement over current service. This results because more manpower can be made available for line service. While it is true that the present single department operation can respond with two engines, they initially are undermanned, usually with only two men each. Thus, with a consolidated district, three companies with a total of 9 men plus an Assistant Chief would respond initially to a structural fire as opposed to the current system of three or four men under the command of a Captain. (The comparison offered at this point of the report is that guaranteed initial response would be higher and improved over the present single independent departmental operations. It is acknowledged that in many cases, the Chief of the current individual departments is reached wherever he may be within the district, to respond to a call and take command. Such would continue to be the case in a consolidated district.)

#### Cost of Consolidated Operation

The immediate question which came up in reviewing the organization and operation of a consolidated district was how its costs would compare to those of the present three independent operations. To answer this question, the Committee requested preparation of a budget based upon known existing salary levels and estimated consolidated service and supplies costs. These figures were proposed by the Committee's secretary, and then reviewed by the fire chiefs. Based upon existing salary levels, benefit costs, and basic assumptions about service and supplies costs, the Committee-approved budget of a "three-house operation" would appear as follows:

#### EXAMPLE - BUDGET FOR THREE-HOUSE OPERATION (Consolidated)

<u>Salaries and Wages</u>	<u>No. of Positions</u>	<u>Man- Months</u>	<u>Rate</u>	<u>Total</u>
Chief	1	12	\$ 1,945	\$ 23,340
Deputy Chief	1	12	1,729	20,748
Clerk	1	12	715	8,580
Fire Inspector	1	12	1,422	17,064
Asst. Inspector	1	12	1,204	14,448
Training Officer	1	12	1,354	16,248
Assistant Chiefs	3	36	1,493	53,748
Captains	12	144	1,354	194,976
Engineers	12	144	1,204	173,376
Hosemen	18	216	1,147	247,752
	51			\$ 770,280



(contd from previous page)

Total Salaries & Wages	\$ 770,280
Salary Savings	<u>7,703</u>
Net Salaries & Wages	\$ 762,577
Volunteer	1,800
Holiday Pay	32,000
Retirement (14%)	105,683
Health (At current rate)	22,200
Compensation (8.25%)	62,913
Life Insurance (At current rate)	3,000
Call-back Pay*	<u>6,383</u>
Total Salaries & Benefits	\$ 996,556

	<u>Amount</u>
Clothing & Personal Supplies	\$ 8,000
Household Expense	1,100
Laundry Service	4,500
Office Expense	750
Medical & Dental Supplies	100
Small Tools	250
Maintenance - Structures	1,500
Maintenance - Equipment	4,500
Maintenance - Electronic	2,100
Utilities	4,000
Communications	2,000
Memberships, Dues & Subscriptions	200
Transportation (Fuel)	2,400
Travel (Conference)	1,800
Specialized Departmental Expense	8,300
Rent - San Lorenzo	6,000
Professional & Specialized Expenses	1,200
Fire Insurance	650
Liability Insurance	<u>3,050</u>
Sub-Total	\$ 52,400
Equipment	5,000
Sub-Total	<u>\$ 5,000</u>
GRAND TOTAL	<u>\$ 1,053,956</u>

\*This is not a present cost - currently given in compensatory time off.  
Figured based upon 1,160 call-back hours at time and one-half.



The total of \$1,053,956 did not include the potential charges for Central Dispatch Services. The issue of that cost follows shortly in this report. A direct comparison of the consolidated budget with the existing budgets, which also do not reflect Central Dispatch costs of the three individual districts is:

1974-75 - FIRE DISTRICT SUMMARY

(Actual Operating Budgets)  
(Reserves Not Included)

	<u>Ashland</u>	<u>Cherryland</u>	<u>San Lorenzo</u>	<u>Totals</u>
Salaries & Benefits	\$ 323,953	\$ 291,386	\$ 345,723	\$ 961,062
Services & Supplies	36,158	35,550	59,317	131,025
Fixed Assets	<u>1,634</u>	<u>5,000</u>	<u>4,311</u>	<u>10,945</u>
	\$ 361,745	\$ 331,936	\$ 409,351	\$1,103,032

Comparatively, the total of the two budgets would be as follows:

\$1,103,032 - Summary of Current Budgets -  
Three Departments

1,053,956 - Example of Consolidated Budget

\$ 49,076 - Potential Savings

As stated earlier, the usage of Central Dispatch is a necessity in considering a consolidated district. Central Dispatch introduces a new cost to fire districts, whether they consolidate or not. In other words, the cost of Central Dispatch Services will be faced in 1975-76 with or without consolidation; therefore, it is a cost which must be considered in any comparison. Together, it is estimated that this cost would run \$45,000 in total for the three departments in 1975-76. The same figure would be applicable to a consolidated district since it is based upon a proportion of assessed values, singly or altogether. Therefore, with Central Dispatch costs added, the comparison would be as follows:

\$1,148,032 - Sum of Current Budget - Three Departments  
+ Dispatch

1,098,956 - Example of Consolidated Budget + Dispatch

\$ 49,076 - Potential Savings with Consolidation

The Committee requested that the consolidated cost be converted to a tax rate. The overall tax rate for a consolidated district would be less than the rates levied in two current departments (Ashland, Cherryland), and about the same level as the tax rate levied in County Service Area F-1965-4 (San Lorenzo). The comparison appears as follows:





1974-75 SECURED TAX RATE

Ashland = 87.9¢

Cherryland = 89.7¢

San Lorenzo = 80.3¢

The tax rate for a consolidated district would be computed as follows:

1974-75 Consolidated Assessed Value (Actual)

\$ 128,214,561    Secured  
8,537,987        Unsecured

Unsecured Revenue would equal    \$ 69,495

\$ 1,098,956 - Consolidated Budget w/Dispatch

(-69,495)- Unsecured Levy  
\$ 1,029,461 To Be Raised via Secured Tax Rate

Secured Tax Rate

$$\frac{\$ 128,214,561 \text{ A.V.}}{\text{Per } \$100 \text{ A.V.}} = \$1,282,146 \times .01 = \frac{\$1,029,461}{12,821} = 80.3\text{¢}$$
Tax Rate

NOTE:

While the consolidated district would appear to offer a lower tax rate than two current rates, the committee must emphasize that cost figures used in the comparison will undoubtedly increase in 1975-76. Thus, it cannot be said that a consolidated district would definitely provide an 80.3¢ tax rate in the future. Also, the tax rate of 80.3¢ presents only an operating budget level and does not include taxes for accumulating reserves.

The level of reserves to be accumulated would be dictated by capital financing needs of a consolidated district which are policies of the governing board. Discussion of major financing needs follows shortly.

The Committee was not unanimously convinced that a consolidated district would save money or retard tax rates, in spite of data gathered. This hesitancy stems from past experience wherein the public has been led to believe a reorganization was going to save money, yet ended up costing money after being implemented. The unknown aspect of such situations is the factors unrelated to a reorganization may well have been responsible for cost increases.

Therefore, as stated in Recommendation I, the Committee is not prepared to report that consolidation will definitely save money or cut taxes. It is more accurate to report that increasing costs and corresponding tax rates will be less with a consolidated district than continuing with three separate districts.

In the course of its study, there was, and will probably continue to be, skepticism regarding the validity of an 80.3¢ theoretical operating tax rate.



Such skepticism is difficult to address, due to the number of assumptions which must be made in developing a budget upon which an 80.3¢ tax rate was designed to finance. The only other indicies available to validate the approximate accuracy of the theoretical 80.3¢ tax rate are similar size fire departments. Nearby similar departments are Castro Valley and Livermore (City). With assessed value of \$121 and \$130 million, respectively, and total personnel of 46 each; their tax rates are 82¢ and 63¢ (tax rate equivalent), respectively, in the current year. (The proposed consolidated district would have an assessed value of \$136 million secured and unsecured ; 51 personnel, for a tax rate of 80.3¢ in the current year).

Some general observations regarding the prospect of slowing down tax rate growth with a consolidated department can be made. (It is noted that total levies themselves are not expected to be reduced since inflation would continue with either independent or consolidated departments. Concurrently, assessed value of properties could be expected to increase, resulting in more revenue being generated). Factors which would contribute to minimizing tax rate increases in a consolidated district versus three independent districts include:

- . . . Some savings in costs would be achieved with volume purchasing of consumable supplies over present independent acquisition methods.
- . . . Liability insurance premiums could probably be slightly reduced over present independently paid levels.
- . . . There would also be a savings in administrative costs through consolidation since fees previously paid for administration of the San Lorenzo department would not be charged.
- . . . The anticipated impacts of the Fair Labor Standards Act will include hourly pay to volunteers for calls and training, plus time and one-half for firemen called back from off duty. In a consolidated district, usage of volunteers and the need to call back firemen would be less than among three independent districts.

One factor which would significantly influence a consolidated tax rate would be the staffing pattern (levels) adopted. The Committee has recommended what might be deemed as an optimum level. For example, considering management and administrative personnel, the Committee has recommended the following:

Existing

3 - Chiefs  
1 - Assistant Chief  
2 - Fire Prevention Officers

Consolidated

1 - Chief  
1 - Deputy Chief  
3 - Assistant Chiefs  
1 - Training Officer  
1 - Clerk  
2 - Fire Prevention Officers



(Continued)

6 - Administrative Staff  
45 - Captains, Engineers, Hosemen

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51 - Total Personnel

9 - Administrative Staff  
42 - Captains, Engineers,  
Hosemen

---

51 - Total Personnel

If in fact a governing board chose to operate a consolidated district without a Deputy Chief, or perhaps with fewer Assistant Chiefs, staffing costs could be reduced over those which have been described in the budget, and which are represented in the 80.3¢ tax rate.

The Committee was concerned in studying an operational budget that it did not provide for the accumulation of reserves for future capital costs. Therefore, it requested an analysis of whether in fact there are identifiable future capital cost burdens.

A review turned up three potential major items. They include an elevated platform fire truck, a training facility, and eventual replacement of the Cherryland fire house. While construction of a fire house in San Lorenzo is an upcoming need of the fire district, its cost has already been anticipated within present financing and a substantial portion of funds have already been accumulated.

All three of the major items which might require future financing are again ultimate considerations of a policy body. The Committee received a report on this subject and it is included on Appendix F, herein. The Committee made no definitive findings or recommendations on the subject of long-term capital financing.





## Tax Rate Limitation

Within the entire subject of financing fire services must come consideration of tax rate limitations now imposed upon local units of government. In December of 1972, the State Legislature approved SB 90 which set forth restrictions on tax rates. The result of SB 90 is that tax rates can only be adjusted upward if the cost of living and population adjustments exceed, in percentages, normal revenue collectible from the assessed value.

Tax rate limits are significant in this study of consolidation (1975) as opposed to those of 1966 or 1970-72, since fire departments did not have tax rate limits then. The question now facing each department is what will happen when costs exceed collectible revenues. One of two alternatives exist; either voters must approve higher rate limits, or services must be cut. Experience indicates the latter alternative would probably occur.

Both Ashland and Cherryland are at their maximum limits now (87.9¢ and 89.7¢, respectively). San Lorenzo is slightly below its limit by 1.5¢ and will probably be at the limit in 1975-76. As mentioned before, forecasting is difficult, but if salary and operating costs move beyond revenues generated, the districts face cut back in services. For example, during 1974-75, in an attempt to remain with generated revenues, Cherryland, even with the highest tax rate, has had to keep one fireman position vacant to avoid going to reserves. Such a necessity means that individually departments must be concerned about maintaining the existing level of service, let alone improving it. Cherryland is not alone in this problem, since both Ashland and San Lorenzo face equal cost increases.

With this serious problem at hand, the Committee believes that voters should be asked to approve a \$1.00 maximum tax rate. Such a maximum rate would not necessarily mean \$1.00 would have to be levied. It would, however, provide a means whereby residents of a consolidated district could be sure that services are not going to be reduced in the near future. It would also insure a means whereby an appropriate capital reserve could be generated for future projects (firehouses, equipment, etc).

## Fire Department Ratings

Another factor regarding consolidation discussed by the Committee was each individual department's standing within the Insurance Services Office (ISO) classifications. These classifications, given by the regional rating bureau, utilize a calibrated system of deficiency points for each department. Four key areas - water supply, fire department, communications, and fire safety control, constitute the grading categories. The ISO grades the individual department, usually upon request, and produces a rating which is subsequently used by insurance companies in the sale of fire insurance (risk analysis). The overall ratings for fire departments range on a scale of 1 to 10; 1 being the highest and 10 the lowest.

On an individual basis, Ashland has a rating of 4; San Lorenzo a rating of 5; and Cherryland a rating of 6. These ratings were given many years ago,



Ashland's last rating being given in 1961 and Cherryland and San Lorenzo in 1955. Since these old ratings were given out, many changes have occurred which would affect the ratings both positively and negatively. A major negative factor would be the amount of development and growth which has occurred since the last ratings in each department. Also, in the 1950's and 1960's, off-duty and volunteer response was a significant positive factor. Today, many paid firemen do not live within their district and are not available for off-duty response; also, volunteers are not as available during working hours since they work outside the department's area. Of course, a positive factor in ratings would be the advent of Central Dispatch.

The key question the Committee considered was what would be the impact of a consolidated district upon an ISO rating. The ISO itself is very hesitant to give an opinion until it actually sees a consolidated fire department in operation.

Thus, it can only be speculated as to the impact of consolidation. One opinion offered by a fire chief serving on the Reorganization Committee was that consolidation would most likely lead to an upgrading in ratings, and in Ashland's case, which is rated at a 4, facilitate holding that level. Also, when Committee staff checked with ISO officials further, they confirmed that their experience in California has been that consolidations usually result in better ratings of fire departments. This is because overlapping fragmented service areas are eliminated and overall administration and manpower management is better handled.

If in fact improved ISO rating results in San Lorenzo and Cherryland, the direct benefit would be to commercial business and industrial properties in insurance premiums. To a minor degree, homeowners might enjoy lower premiums.

#### Volunteer Firemen

The Committee included in its discussions the utilization of volunteer firemen in helping to back up regular paid departmental personnel. It was Committee consensus that volunteers would continue to be needed in a consolidated district, even though more paid personnel would be on duty and initially responding to calls. Continued usage is justified to insure continuity of response when numerous regular personnel could be ill, and of course, when major incidents occur.

A consolidated district would have less dependence upon volunteers for routine responses, and this would be a positive situation since in recent years it has occurred that volunteers are less available. Specifically, in the communities of Ashland, Cherryland and San Lorenzo, many persons work in other areas (Oakland, Hayward), and for all intents and purposes they are unavailable during working hours. Also, the mobility and life-style of families results in their recreational activities taking them out of the community, which decreases overall interest in volunteer fire work (as opposed to the 1950's). Another inhibiting factor regarding usage of volunteers, from the fire department's viewpoint, are the additional costs involved. For example, just the Workmen's Compensation Insurance costs for a volunteer fireman in 1974-75 was \$56.00;



in 1975-76, this cost will double - to \$113 per man. Finally, pending amendments to the Fair Labor Standards Act indicate that volunteers cannot be paid on a per-call basis. As minimum wages increase, so will volunteer costs for both training and actual fire suppression. Closely allied to this problem will be the overall administrative burden of time-keeping for volunteers.





## TWO-DEPARTMENT CONSOLIDATION

The potential for a two-department consolidation was reviewed by the Committee. There are three possible combinations in a two-department consolidation. They include Cherryland, San Lorenzo; Ashland, Cherryland;\* and Ashland, San Lorenzo. Detailed implications of each combination were not examined; however, the interest of the Committee was such that a staffing and operational plan was developed.

As with a three-department consolidation, the assumptions were the same: namely, that only existing manpower and equipment from the two departments would be available.

### Operations

Consolidation of two departments would result in their being three, three-man companies available for initial response at all times. As with the three-district consolidation, these companies would, at a minimum, have one Captain, one Engineer, and one Hoseman each (this allocation includes an allowance for sick leave and vacation). Maximum staffing would be an additional Hoseman in each company (4-man companies). However, such maximum staffing in either a three-department or two-department cannot be counted upon since allowance must be made for men being off ill and on vacations.

An organization chart for a two-department consolidation appears on the following page.

It is noted that key differences between the two and three-department consolidation are as follows:

- . . . No full-time, on-duty personnel above the rank of Captain.  
(Only Chief and Assistant Chief available on call).
- . . . No full-time training officer.
- . . . Only one Fire Prevention Officer, rather than two officers.

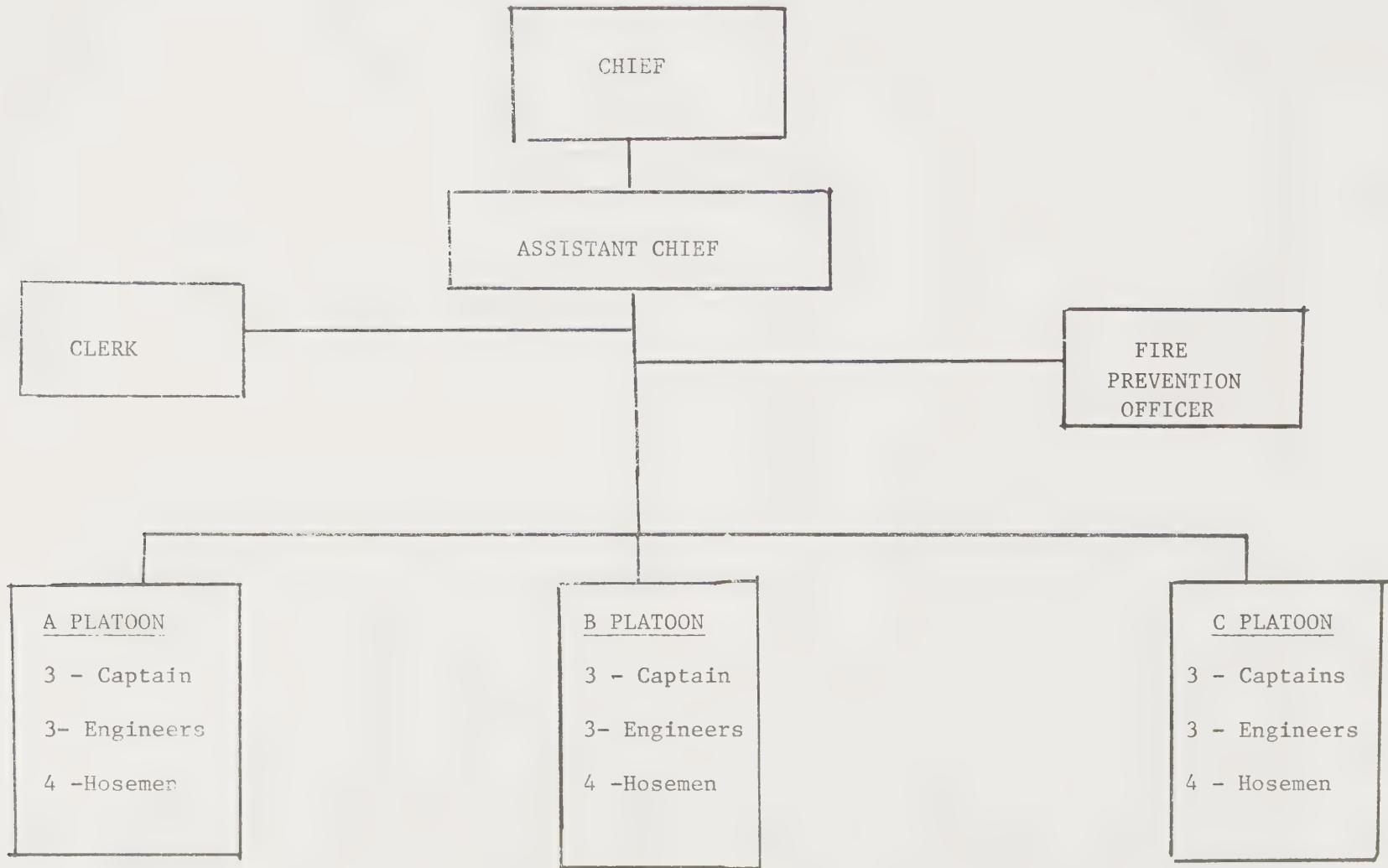
The one vital and remaining feature, of course, in a two-department consolidation, over the present practice of independent operation, would be the increased availability of manpower. For example, currently a structural fire

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\*Since Ashland and Cherryland are already districts, this particular combination was not pursued. Their combined tax rate would be highest of combinations discussed in this section. Also, since the entire study initially evolved around a needed adjustment for the San Lorenzo Service Area, a Cherryland/Ashland arrangement would fail to address the primary reason this study was initiated. It is generally accepted that any recommended changes must include San Lorenzo.



TWO DEPARTMENT CONSOLIDATION





alarm is usually answered by four or three men on two pumpers (two men per pumper). In a two-department operation, six men could answer on two pumpers. This would represent an improvement by two men for initial response. Of course, if it was decided to pull the third engine to a structural fire, then all nine men on duty would be answering. However, such a response would completely vacate both firehouses for any additional alarms for emergency response, including even minor requests - such as resuscitator or automobile fire calls. It is at this point where there is a significant distinction between a two and three department consolidation. This distinction is that with a three-department consolidation, a minimum of 9 men, plus an Assistant Chief, and three pumpers could respond to a structural fire. This is considered a good response. Still in reserve would be an additional pumper and three more men at a minimum to answer another call for assistance. There would be, of course, the utilization of volunteers and firemen being called back on duty. However, the key distinction that the Committee has made throughout the report is the initial guaranteed response to a fire.

In summary, it is noted that initial response in a two-department consolidation would be better than the present single-department operation. However, proportionately even a two-department consolidation does not represent the strength of a three-department arrangement.

#### Cost in a Two-Department Consolidation

A two-department consolidation would obviously cost less than a three-department operation, along with a lower level of service. Correspondingly, the two departments would have less assessed value upon which to generate revenue.

A budget for two departments consolidated into one, with 34 personnel (Cherryland, San Lorenzo), would have a 1974-75 budget of \$703,868. (This amount is based upon 34 personnel, plus two-thirds of most services and supplies accounts detailed in the section on a three-department consolidation).

As previously noted, any consideration of a two-house operation must allow for the cost of central dispatch services not previously budgeted by departments. Following is a summary of two budget comparisons for San Lorenzo and Cherryland (with central dispatch costs):





	<u>Cherryland</u>	<u>San Lorenzo</u>	<u>Total</u>
Current	\$ 331,936	\$ 409,351	\$ 741,287
Consolidated	0	0	<u>703,686</u>
			<u>\$ 37,601</u>

- With Central Dispatch -

<u>Consolidated</u>	<u>Dispatch</u>	
\$ 703,686	\$ 29,925	<u>\$ 733,611</u>

(Cherryland & San Lorenzo  
Full Shares for 1974-75)

The computation of a tax rate to generate \$733,611 in Cherryland and San Lorenzo is of course dependent upon their consolidated assessed values. The computation would appear as follows:

1974-75 Cherryland/San Lorenzo Assessed Value

\$ 84,288,268 - Secured

\$ 6,622,369 - Unsecured

Unsecured Tax would generate \$55,318

\$ 733,611 - Two-Department Budget (Consolidated)  
55,318 - Unsecured Revenue

\$ 678,293 - To be Raised by Secured Tax Rate

$$\frac{\$ 84,288,268}{\text{Per } \$100/\text{AV}} = \$842,883 \times \$ .01 = \frac{\$ 678,293}{8,429} = \underline{\underline{80.5\text{c}}}$$

As with the three-department consolidation, the tax rate would appear most favorable for Cherryland in relation to the existing 89.7¢. San Lorenzo would remain close to its present 80.3¢, based upon current levels.

Another possible consolidation would be Ashland and San Lorenzo. Recognition must be given this option since the Board of Supervisors sits as the governing board for both departments. Such a consolidation would bring the units with the two larger assessed values together and produce the lowest tax rate of any option studied.

Specifically, following the same methodology as in the previous examples:



	<u>Ashland</u>	<u>San Lorenzo</u>	<u>Total</u>
Current Budget	\$ 361,745	\$ 404,351	\$ 771,096
Consolidated Budget	-	-	<u>703,686</u>
		Potential Savings	<u>\$ 67,410</u>

With Central Dispatch

<u>Consolidated</u>		<u>Dispatch</u>	
\$ 703,686	+	\$ 32,535	= \$ 736,221
(Ashland and San Lorenzo Full Shares for 1974-75)			

Once again, savings could be accrued with or without central dispatch services since it is a cost which will have to be borne by the departments in 1975-76, individually, or consolidated.

The tax rate computation for Ashland and San Lorenzo consolidated would be as follows:

1974-75 Ashland/San Lorenzo Assessed Value

\$92,675,839 Secured  
6,261,068 Unsecured

Unsecured Tax would generate \$51,732

\$736,221 - Two-Department Consolidated Budget  
-51,732 - Unsecured Revenue

\$684,489 To be Raised

$$\frac{\$92,675,839}{\text{Per } \$100/\text{AV}} \times \$926,758 \times .01 = \frac{\$684,489}{9,268} = \underline{73.9\text{¢}}$$

Technically, the computation is slightly low since Ashland and San Lorenzo combined would have 35 personnel if consolidated with current manpower. The compilation was made using a budget of 34 to avoid having to restate the entire budget. Even with the additional position, the tax rate would rise only about 2¢ - to 75.9¢ since one-cent would raise \$9,268.

A theoretical rate of 75.9¢ would obviously be favorable to both Ashland and San Lorenzo with their current 87.9¢ and 80.3¢ rates, respectively. Again, a theoretical rate is being discussed, and 1975-76 might see it going up with salary increases, etc.

Other Considerations - Two-Department Consolidation

It appears that a two-department consolidation - either Cherryland/San Lorenzo or Ashland/San Lorenzo, could offer improved service over the



present individual arrangement. However, while they could respond initially with more manpower, they would fall short of a three-department operation in case of a second alarm wherein manpower would still be available. In respect to volunteers, there would be more dependency than in a three-house operation and the eventual impact of the FLSA amendments would be more severe.

The particular combination of Ashland/San Lorenzo would have the greatest benefit in terms of tax. This would result since the key cost item - manpower - which is not significantly different among the three districts, is spread across the areas with the two highest assessed values. If the three-department consolidation is ultimately rejected, this latter combination might be an option for consideration since the Board of Supervisors could implement consolidation through annexation proceedings.



## "SINGLE NEW DISTRICT"

A third alternative reviewed by the Committee was creation of a single new fire district for San Lorenzo, with the intent that Ashland and Cherryland would remain independent. This alternative itself served as the origin of the Committee's study since it was the LAFC's referral of such a proposal which created the Reorganization Committee.

The actual proponent of a separate new fire district was a private nonprofit organization - the San Lorenzo Village Homes Association. The Association had, since 1965, contracted with the County to operate the fire department in the San Lorenzo service area. Key factors which prompted the request to form a separate fire district included:

- . . . Placing firemen into a public retirement system.
- . . . Local control through locally elected board over fire services rather than through County Board of Supervisors.
- . . . Continued low cost to taxpayers.

A memo relating the Homes position appears as Appendix G, herein.

The primary drawback to pursuit of this alternative was recognition that the LAFC had rejected it once. A copy of the LAFC Executive Officer's report appears in Appendix H.

After study of consolidation, there was also recognition that service could be improved (with consolidation), over that offered separately among the districts.





## "CONTRACTUAL CONSOLIDATION "

An alternative to merger or consolidation is the usage of contracts for service between entities. The Committee touched upon contractual arrangements; however, since there was no demonstrated interest to pursue this methodology, it was not recommended.

Review of contracts included receipt of documents reflecting the following:

- . . . Contracts used in Contra Costa County between districts and cities, service areas and cities, and service areas and districts.
- . . . A comprehensive, complete and specific contract between Los Angeles County Fire District and the City of Commerce.
- . . . An existing contract between Alameda County and the City of Pleasanton for service areas.
- . . . A contract between the Redwood Fire Protection District (Alameda County) and the East Bay Regional Parks District.
- . . . The contract between the County of Alameda and the San Lorenzo Village Homes Association, a private organization, for services to a service area.

Any thorough review of options revolving around contracts was not feasible for the Committee to pursue, since it did not have the authority to actually investigate potential terms and conditions of a contract among entities in the study or for adjacent cities. Specifics such as service levels and costs would have to be defined and then potential contracts approached about terms. Only after such a process could some definitive findings be made about contracts. (It is also noted that "contracts" were not apart of the LAFC resolution setting up the study Committee).

The problem of contracts were noted by the Committee and in themselves discouraged further investigation. They concluded:

- . . . Contracts are usually only annual and must be renegotiated by both parties.
- . . . Contracts can be cancelled and even with notice, can leave an agency in a critical situation, sometimes leading to great expense.
- . . . Contracts for "fire" service can be hazardous if too broad, and cumbersome if too specific. In fact, changing policy in a contract usually means approval of any amendments by both parties (governing boards), whereas an operating entity must only deal with itself.



. . . Experience shows it is difficult to work out financial provisions in a fire service contract which treats each entity fairly. Specifically, even if service levels are defined, costing such items is difficult for items like "fire prevention."

All of these factors together served to indicate contracts would be a lower priority for reorganizing services in Ashland, Cherryland and San Lorenzo, than actual implementation of a new governmental entity.



## "ANNEXATION"

Annexation was an alternative mentioned in Committee meetings, but never pursued. The alternative included the potential of adjacent San Leandro or Hayward annexing San Lorenzo.

The implications of such an alternative would have been significant to say the least. All municipal services, not fire services alone, would have had to be studied. Such an extensive inquiry would have required more time than that available to the Committee and broader membership (city representatives).

The most discouraging aspect of considering annexation was the response from the two cities when queried about annexing San Lorenzo. They both appear in Appendix I. These responses lead the LAFC to omit the cities from membership on the reorganization committee, implying that the scope of the study should be limited to consolidation.





MEMBERS OF REORGANIZATION COMMITTEEASHLAND \*

Gene Walker, Captain	Ashland Fire Department
George York	Public Member
Carl Basuino	Fire Commissioner

CHERRYLAND

James Dennis, Chief	Cherryland Fire District
Les Silveira	Public Member
Raymond LeBlanc	Fire Commissioner

SAN LORENZO

Francis Dybdal, Chief	San Lorenzo Fire Department
Leo Fancey	Public Member
Richard Burns	SLVHA

\* Also representing Ashland Fire Commission during Committee meetings were Chris Silva and Ray Enos.



FIRE DEPARTMENT DATA

	<u>Ashland</u>	<u>Cherryland</u>	<u>San Lorenzo</u>
<u>Area</u>	2.69	1.97	2.59
<u>Population</u>	17,042	19,189	24,306
<u>Housing Units</u>	6,319	6,998	7,009
<u>Assessed Value</u> 1974-75	\$45,841,911	\$37,815,641	\$53,094,996
<u>Tax Rate</u>			
1974-75	87.9¢	89.7¢	80.3¢
<u>Budget</u>			
1974-75			
Operation	\$ 361,745	\$ 331,936	\$ 409,351
Reserves	97,701	165,840	173,849
<u>Personnel</u>			
Chief	1	1	1
Asst. Chief			1
Fire Prevention	1		1
Captain	3	3	3
Engineer	6	3	3
Firemen	<u>6</u>	<u>6</u>	<u>9</u>
	17	16	18



FIRE DEPARTMENT EQUIPMENT SUMMARY

			<u>Ashland</u>	<u>Cherryland</u>	<u>San Lorenzo</u>	<u>Total</u>
<u>Pumpers</u>	<u>Year</u>	<u>GPM</u>				
	1961	1,000		1		
	1970	1,500	1		1	
	1972	1,500		1		
	1973	1,500	1			
	1974	1,500			1	
<u>Reserve</u>						
	1953	1,000	1			
	1952	750		1		
	Total -		3	3	2	8
<u>Pick-Up Trucks</u>						
	1970			1		
	1971				1	
	1973		1			
						3
<u>Automobiles</u>						
	1967			1		
	1968				1	
	1970				1	
	1974		1			
						4



**FIRE SERVICE AREAS  
FOR EXISTING DEPARTMENTS  
1975**

© FIRE STATION

2000 0 2000 4000  
SCALE IN FEET

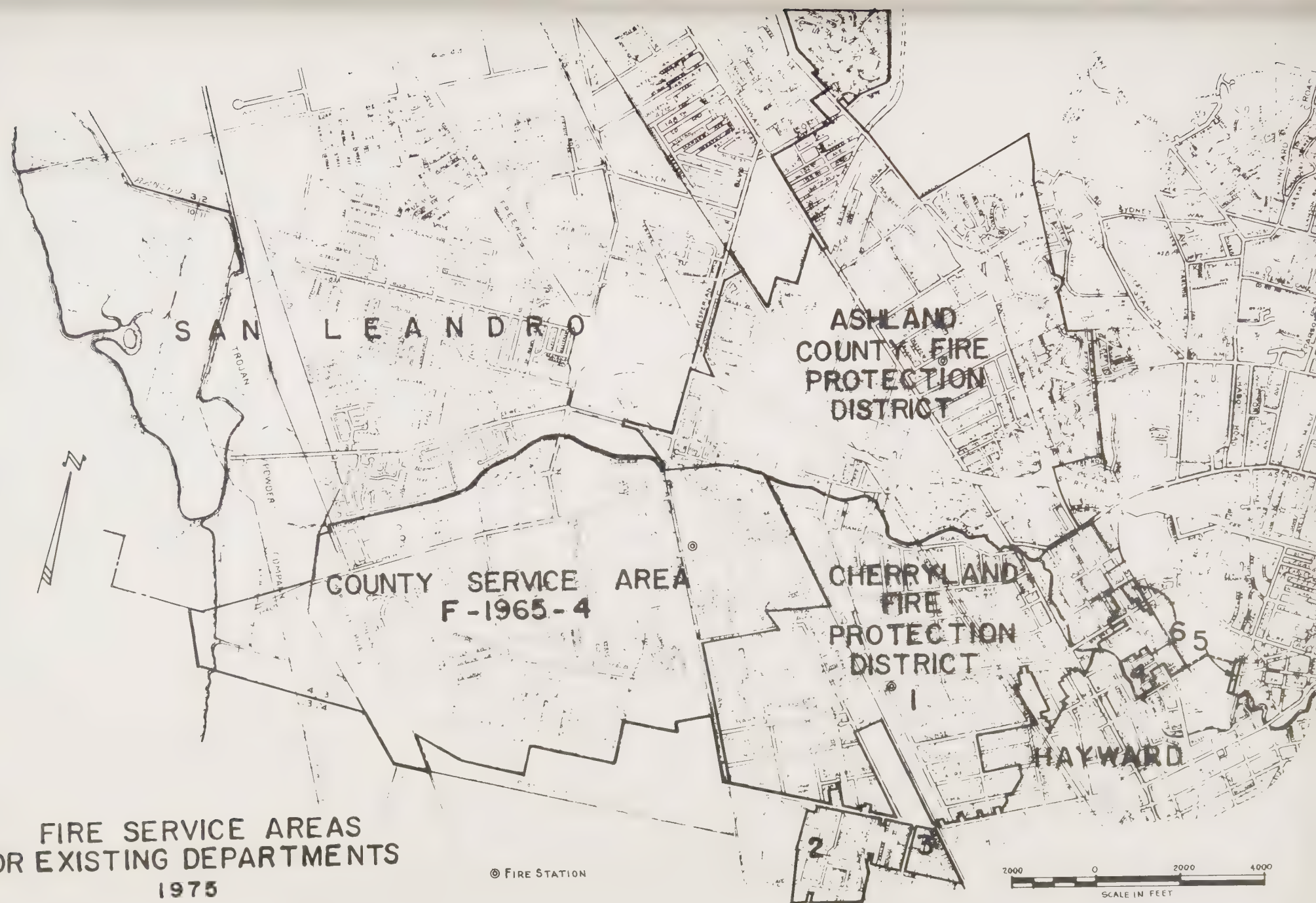






EXHIBIT D

MINUTES OF MEETINGS



LOCAL AGENCY FORMATION COMMISSION OF ALAMEDA COUNTY

Fire District Reorganization Committee

MINUTES OF MEETING

January 9, 1975

Those members present included Messrs. Chris Silva and Gene Walker, representing Ashland Fire Protection District; Messrs. Raymond LeBlanc, James Dennis and Les Silveira, representing Cherryland Fire Protection District; and Messrs. Richard Burns, Francis Dybdal and Leo Fancey, representing County Service Area F-1965-4 (San Lorenzo). Also present was Mr. David J. Williams of the Local Agency Formation Commission, Secretary to the Committee.

Rita Resare of the Daily Review of Hayward was present, as were four citizen observers.

The minutes of the previous meeting were approved, as mailed.

Mr. Williams provided handouts to each Committee member, giving fiscal, personnel and equipment data on each district. He pointed out key fiscal factors affecting the abilities of the districts to finance fire services including maximum tax rate levels governed by state laws. Line item budget data (detail) was not available as of the meeting on the San Lorenzo Fire Department. Mr. Williams suggested that specific data on salaries and benefits experienced in recent years for all districts should probably be gathered in order that projections may be made of future financing needs.

Chief James Dennis from Cherryland, provided each member with a handout of how a consolidated, three-house fire district could function. Two key basic assumptions made in developing the example was the availability of central dispatch services and utilization of current manpower levels in the three districts. The example placed one fire company with three men each at each firehouse, with an additional fourth "rover" company available to respond to first alarms as well. Chief Dennis expressed the belief that the level of service which would be provided could improve each department's insurance rating. This would result because first response to a fire in terms of both equipment and manpower would be improved over present capabilities; and more immediate back-up would be possible. Another feature would be the availability of a training officer for the entire district.

In other discussion, Mr. Burns called the Committee's attention to Section 13841.7 of the Health & Safety Code, which permits a Board of Directors for a fire district to be elected from divisions, based upon population (Section 13841.8 of the Health & Safety Code). He suggested that electing a Board of Directors on this basis might prove more successful with voters than the previously tried "at-large" method, in 1972.



In discussion of previous agenda items and other arrangements to be studied, the Committee decided upon the following:

- . . . Requested Chief Dennis to put together an example of a two-district (two house) operation.
- . . . Requested Dave Williams to put together a sample budget for a three and two district operation.
- . . . Invite appropriate guest speakers from the Consolidated Fire District in Contra Costa County to discuss consolidated operations; and if possible, a speaker to present "disadvantages."
- . . . Requested Dave Williams to locate examples of "contracts" for fire services.

The Committee agreed to meet February 13, 1975 at 7:30 p.m., at a yet to be determined location.

Respectfully submitted,



David J. Williams, Secretary

DJW:hs

cc: Members of the Committee



LOCAL AGENCY FORMATION COMMISSION OF ALAMEDA COUNTY

FIRE DISTRICT REORGANIZATION COMMITTEE

Minutes of Meeting

December 12, 1974

Those present included Messers Chris Silva, Gene Walker, and George York, representing Ashland Fire Protection District; Messers Raymond LeBlanc, James Dennis and Les Silviera, representing Cherryland Fire Protection District; and Messers Richard Burns, Francis Dybdal and Leo Fancey, representing County Service Area F-1965-4 (San Lorenzo). Also present were Messers Roland Mayne and David J. Williams of the Local Agency Formation Commission (LAFC). Miss Rita Resare representing the Daily Review of Hayward was also present.

The meeting began with self-introductions.

Upon questioning from Mr. Silveira, a discussion followed as to the purpose of the Committee and the reasons for inclusion of Cherryland Fire Protection District by the LAFC as a participating agency. Mr. Mayne responded that the LAFC included Cherryland based upon its close geographic relationship to the other districts and findings of previous studies. Mr. Burns expressed the belief to Mr. Silveira that the feasibility of inclusion should be studied.

Mr. Mayne brought up the need for the committee to organize, including selection of a chairman. Since there were no nominations, Richard Burns volunteered to serve, with concurrence of the committee. Also with concurrence, Mr. Williams was selected to serve as Secretary to the Committee. The Committee agreed to Mr. Burns' suggestion, that Roberts Rules of Order be followed in its deliberations. Specific discussion followed on the makeup of a quorum. Upon motion from Mr. Silveira, seconded by Mr. Silva, the Committee voted, without objection, that a quorum would consist of two representatives from each participating district.

In the discussion which followed on reports and studies of fire district reorganization, Mr. Silveira questioned population and housing data for Cherryland Fire District. Mr. Williams indicated he would request the County Planning Department to clarify the data.

Mr. Silveira raised the possibility of contractual relationships with cities or fire districts for services. Mr. Mayne indicated that such arrangements are possible.





Discussion regarding the scope of the proposed study concluded that the following alternatives should be examined:

- . . . Consolidation of all three fire districts into one district, via reorganization or annexation; or possibly involve only two districts;
- . . . No consolidation, but sustaining San Lorenzo as a County Service Area with contract arrangements to be studied (i.e., with districts or cities).
- . . . Creation of a new special district for San Lorenzo.

There was general concurrence that the feasibility of these alternatives should be explored.

The Committee discussed the need for the study to address certain factors, including operation costs, manpower levels, current and future equipment demands, implications of the Fair Labor Standards Act, labor relations and personnel systems, and definitions of current and future levels of service. The Committee concurred to request Mr. Williams to gather data on the present status of the fire agencies. The Committee requested the fire chiefs and administrative personnel of the agencies to cooperate in the study.

The Committee adjourned at 9:00 p.m. and agreed to meet on January 9, 1975.

Respectfully submitted,



David J. Williams, Secretary  
Fire District Reorganization Committee

DJW:sb  
1/3/75



LOCAL AGENCY FORMATION COMMISSION OF ALAMEDA COUNTY

Fire District Reorganization Committee

Minutes of Meeting

February 18, 1975

Those members present included Messers Chris Silva, Gene Walker, and George York representing the Ashland Fire Protection District; Messers Raymond LeBlanc, James Dennis, and Les Silveira representing Cherryland Fire Protection District; and Messers Richard Burns, Francis Dybdal and Leo Fancey representing County Service Area F-1965-4 (San Lorenzo). Also present was Mr. David J. Williams of the Local Agency Formation Commission, Secretary to the Committee. Observing on behalf of Cherryland Fire District was Commissioner Glen Westover.

Rita Resare of the Daily Review of Hayward was present, as were several citizen observers.

The minutes of the previous meeting were approved as mailed.

Mr. J. S. Connery, Executive Officer of the Local Agency Formation Commission of Contra Costa County, was introduced as guest speaker. Mr. Connery related numerous experiences in working with fire districts and county service areas toward consolidation through reorganization. Committee members Silveira, Burns, Fancey, and Dennis, addressed questions to Mr. Connery relating to the methods of effects of reorganization. Key points made by Mr. Connery included the following: The greatest benefit achieved through consolidation of fire agencies is increased level of service, not necessarily cost savings; consolidation of small agencies contributes to financial stability slowing down the annexation; a consolidated agency should accept all assets and liabilities of previous agencies, rather than attempting to set up separate tax zones at the time of consolidation; in the course of the study, location of fire houses in relationship to adjacent cities should be a concern; and acquisition of equipment, not normally available to a small district, can be acquired by a larger district. Mr. Connery indicated that support from the public press is important to educating voters as to the benefits from consolidation. He also indicated that Contra Costa has had success with fire services being under the Board of Supervisors, using appointed Fire Commissioners to manage the districts.

Secretary Williams presented a hypothetical operating budget for a 3-house fire district, based upon the operational plan proposed at the previous meeting by Chief Dennis. Committee members questioned proposed amounts for items including social security, insurance, salary savings, etc. It was agreed that the budget figures would be studied further by Secretary Williams, Chief Dennis, Chief Dybdal, with the objective of presenting adjustments at the next meeting. Committee member Silveira requested that a budget showing only salaries and benefits, plus 10% for operating expenses, be provided for illustration purposes.



Chief Dennis handed out a proposed operational plan for a two-house fire district. There was insufficient time to discuss the proposal in detail.

Secretary Williams called attention to contracts for fire services which had been sent out with agenda materials.

Chairman Burns inquired of committee members as to whether a request should be generated to the LAFC for an extension on the committee's final report. There was consensus that an extension should be requested.

The committee agreed to meet March 13, 1975 at 7:30 p.m.

Respectfully submitted,



DAVID J. WILLIAMS, SECRETARY

cc: Members of the Committee  
LAFC



LOCAL AGENCY FORMATION COMMISSION OF ALAMEDA COUNTY

FIRE DISTRICT REORGANIZATION COMMITTEE

Minutes of Meeting

March 20, 1975

Those members present included Messers Chris Silva and George York representing the Ashland Fire Protection District; Messers James Dennis and Les Silveira representing Cherryland Fire Protection District; and Messers Richard Burns, Francis Dybdal and Leo Fancey, representing County Area F-1965-4 (San Lorenzo). Also present was Mr. David J. Williams of the Local Agency Formation Commission, Secretary to the Committee. Observing on behalf of the Cherryland Fire District were Commissioners Glen Westover and Will Hendrickson.

Rita Resare of the Daily Review of Hayward was present, as were several citizen observers.

Mr. Burns was delayed in arriving at the beginning of the meeting. Proceeding informally without him, there was approval of the minutes of the previous meeting, as mailed.

Mr. Williams directed Committee members' attention to a map showing the relationship of the current boundaries for each district. Also noted was the location of each firehouse within the district.

The Committee further discussed the proposed 3-house budget. Mr. Williams reported various accounts which had been adjusted in accordance with needs defined by Chief Dybdal and Chief Dennis. It was decided that the salaries and wage accounts and services and supplies accounts adequately reflected what would be required to support a consolidated 3-house operation. Mr. Silveira believed that it would be inaccurate to reflect a tax rate solely on the basis of operations; that there needed to be some definition of major future costs. After considerable discussion, the Committee agreed that the two Fire Chiefs would meet further with Mr. Williams to recommend what major cost items need to be anticipated and methods for their financing.

Chief Dennis continued a presentation from the previous meeting on the staffing and response pattern for a two-district operation. A combination of Cherryland and San Lorenzo was selected. Key advantages of the two-house operation over the present single district operation would include the ability to keep three engine companies manned, as opposed to one each, as is the current practice. Compared to the three-house operation, the proposed two-house system would not include a Fire Training Officer or an additional Fire Inspector. Mr. Burns indicated an interest in having a two-district budget reflected, noting that utilizing two-thirds of the expenditures for a three-house district could be used.

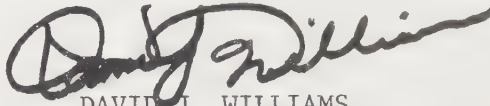




Amendments to the Fair Labor Standards Act were briefly discussed. Chief Dennis indicated his belief that these amendments would not have an immediate impact upon the districts, except that volunteers would need to be paid on an hourly basis, rather than a flat rate basis. Also, firemen called back for duty would need to be paid rather than provided compensatory time off, as has been the practice. The long-range consequences are yet to be determined, but could be significant, depending upon court decisions.

Prior to adjournment, the Committee discussed the need to move ahead with planning and finalization of recommendations before June. It was agreed that the next meeting of the Commission would be held at the Public Works Building on April 17, 1975.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "David J. Williams", written in a cursive style.

DAVID J. WILLIAMS

Secretary to the Committee

DJW:Hs

cc: Members of the Committee  
Local Agency Formation Commission



LOCAL AGENCY FORMATION COMMISSION OF ALAMEDA COUNTY

FIRE DISTRICT REORGANIZATION COMMITTEE

MINUTES OF MEETING

April 17, 1975

Those present included Messers Gene Walker and George York representing the Ashland Fire Protection District; Messers Raymond LeBlanc, James Dennis, and Les Silviera, representing the Cherryland Fire Protection District; and Messers Richard Burns, Francis Dybdal and Leo Fancey, representing County Service Area F-1965-4 (San Lorenzo). Also present was Mr. David J. Williams of the Local Agency Formation Commission (LAFC). Ms Rita Resare representing the Daily Review of Hayward was also present. Several members of the public were present as well.

County Supervisor Charles Santana was introduced by Committee Chairman Richard Burns. Supervisor Santana introduced his recently recommended appointee, subsequently confirmed by the Board of Supervisors, to the Ashland Fire District Board of Commissioners. Mr. Santana indicated that the new appointee, Mr. Carl Basuino, would also represent Ashland on the Fire District Reorganization Committee.

Mr. Burns called upon Dave Williams to give the report requested by the Committee at its March 20th meeting on potential long-term financial demands faced by a consolidated district. Mr. Williams summarized a written report relating the consensus of thinking by Chief Dennis and Chief Dybdal, that an elevated platform or aerial truck, a training facility, and eventual replacement of the Cherryland Fire House are the major item which would require capital funding the future. The report discussed various methods for funding an elevated platform truck, and indicated alternative considerations. In regard to a training facility, the extraordinary costs of construction was noted, and there appeared to be consensus that building a separate training facility would be prohibitive. It was also reported that adjacent training facilities in San Leandro or Hayward might be made available to the fire departments. Mention of the Cherryland Fire House and its eventual replacement was noted. While the present facility is considered small and aging, it is still adequate for present operations. Since replacement may be five years or more in the future, further consideration at this time appears inappropriate.

Mr. Burns opened the meeting for consideration of alternatives which had been studied by the committee. Mr. Fancey made a motion that the committee recommend consolidation of the three districts. Captain Walker seconded the motion. Following the motion there was further discussion on the advantages and disadvantages of consolidation.



Chief Dybdal made a substitute motion to table Mr. Fancey's original motion. Mr. Silviera seconded the motion. The motion passed: Ayes - Cherryland, San Lorenzo; Noes - Ashland.

Mr. Silviera indicated his view that the question of consolidation should be taken up with the governing boards of each agency by the representatives to the committee. Mr. LeBlanc concurred in this need. The idea of recessing briefly to discuss the matter was considered.

Mr. Silveira made a motion that a two-district consolidation be recommended. The motion died for lack of a second.

Mr. Fancey then reintroduced his original motion, recommending a three-district consolidation. Mr. York seconded the motion. There was then unanimous consent to recess the meeting for 15 minutes while representatives caucussed on the motion.

Upon reconvening the Committee, Mr. Burns called for a roll call vote on the question of a three-district consolidation. The motion passed as follows: Ayes - Ashland, Cherryland, San Lorenzo; Noes- 0.

Mr. Fancey then introduced a motion for the Committee to recommend that the governing board of the consolidated district be the Board of Supervisors, with appointed commissioners to manage the affairs of the district. Captain Walker seconded the motion. Following was discussion of the matter. Mr. Williams briefly outlined some of the advantages of a consolidated district being a part of the "county family." Mr. Burns indicated the concern that local control of the fire service would be lost under such an arrangement.

Subsequently, on the question the motion passed: Ayes - Ashland, Cherryland; Noes - San Lorenzo.

Mr. Fancey then made a motion that there be a Tax Zone recommended for the San Lorenzo area to insure that only San Lorenzo taxpayers would need to bear the burden of financing a new fire house. Prior to a second on his motion, there was discussion of the current assets available to undertake such financing, plus other equalizing developments which would make such recommendation unnecessary. Mr. Fancey then voluntarily withdrew his motion.

Mr. Fancey made a motion that the Committee recommend a maximum tax rate of \$.897 for a consolidated district. Chief Dennis seconded the motion. Upon discussion, there appeared to be consensus that a consolidated department would need a sound funding base and that future needs should not be under-estimated. Mr. Silveira moved to amend Mr. Fancey's motion that the tax rate limit should be \$1.00. Mr. York seconded the amendment.



The motion on the \$1.00 maximum tax rate was approved; Ayes - Ashland, Cherryland, San Lorenzo; Noes, 0.

Chief Dennis then made a motion to recommend that Commissioners appointed by the Board of Supervisors for a consolidated district represent as equally as possible all areas of the district. Mr. Fancey seconded the motion. The motion was approved unanimously.

Upon a motion by Chief Dybdal, there was approval to request the LAFC to recognize and respond to the original application to form a special fire district. Individual districts voting in the Committee were not polled on this motion; however, it was approved with dissenting votes.

Captain Walker moved that the Committee recommend the organization of a consolidated fire district, as had been presented by Chief Dennis in an earlier meeting. Mr. Fancey spoke in opposition to the motion. Subsequently, the motion was approved without a roll call vote.

Captain Walker then moved that all information which the Committee had considered be included in the report. Mr. Fancey seconded the motion. Without a roll call vote the motion was approved.

In anticipation of a final report, Chairman Burns appointed Mr. LeBlanc, Mr. York, and himself, to review the draft report.

Prior to adjournment the Committee discussed potential dates for the draft subcommittee and final review. The final meeting date was not set, but subject to being called at an appropriate time when the report would be ready for review.

Respectfully submitted



David J. Williams, Secretary  
and Adviser to Committee

DJW:hs





LOCAL AGENCY FORMATION COMMISSION OF ALAMEDA COUNTY

FIRE DISTRICT REORGANIZATION COMMITTEE

MINUTES OF MEETING

June 12, 1975

Those members present included Mr. Gene Walker, representing the Ashland Fire Protection District; Messers Raymond LeBlanc, James Dennis, and Les Silveira, representing the Cherryland Fire Protection District; Messers Richard Burns, Francis Dybdal and Leo Fancey, representing County Service Area F-1965-4 (San Lorenzo). Also present was Mr. David J. Williams of the Local Agency Formation Commission, Secretary to the Committee. Ms Rita Resare of the Hayward Daily Review of Hayward was also present, as were several citizen observers.

Captain Walker introduced Mr. Raymond Enos, Commissioner from Ashland Fire Protection District, who had been appointed to sit in place of Mr. Carl Basuino, who was away on vacation. It was determined by the Chairman that under the provisions of membership set forth in the District Reorganization Act, that Mr. Enos could sit as a representative of Ashland in the Committee's deliberations. Mr. Enos' participation insured the Committee had met its requirements for a quorum.

The minutes of the previous meeting were approved, as mailed.

The Committee undertook review of the draft Reorganization Report page-by-page. Editorial changes suggested during the review were incorporated into the final report, which is available for the record.

In reviewing Recommendation I-A, Mr. Burns requested reconsideration of the recommendation and that a motion be made to amend the recommendation. He expressed the belief that there might be a change in votes from the first time the recommendation was adopted. Chief Dybdal moved that the recommendation be reconsidered. Mr. Silveira raised a point of order regarding the appropriateness of a motion for reconsideration being made by an individual who had previously voted "No" on the question. The Chairman ruled that Mr. Silveira was correct in his observation. He noted that only Cherryland or Ashland could request reconsideration. Chief Dennis requested a 5-minute recess for discussion. The Chairman concurred in the request.

Upon reconvening, Mr. LeBlanc concurred in the recommendation as it had been drafted, and there was no motion introduced for reconsideration. The Committee then reviewed additional recommendations. Recommendation I-B as it appeared in



the draft was amended, upon the motion of Captain Walker, seconded by Mr. Fancey. The motion called for the recommendation that there be seven (7) appointed Commissioners and that two each come from each original area, and one (1) appointed at-large. After further discussion, the motion carried: Ayes - Ashland, Cherryland, San Lorenzo; Noes- 0.

The Committee continued to review and discuss various recommendations of the report. Upon the motion of Mr. Fancey, and seconded by Chief Dennis, a recommendation was made to call the reorganized fire district the "Eden Consolidated Fire District." The motion was passed unanimously.

Mr. Burns inquired if there were any other changes to be made in the text material of the draft report. There being none, the entire report was adopted as amended for submission to the Local Agency Formation Commission.

Prior to adjournment, there was discussion of one additional recommendation for inclusion within the final report. Discussion centered around the advisability of recommending that reserve funds within existing departments be earmarked in the future for capital expenditure. Mr. Silveira expressed the belief that the future construction of a firehouse would be the responsibility for the total district. He expressed the view that any reserves accumulated by existing districts return to taxpayers in the form of rebates or lower taxes. Captain Walker disagreed with this approach, noting the hardship it places on the district in financing future needs. Other members expressed the view that funds which have been accumulated should be earmarked or taxpayers may vote against consolidation for fear that the funds will not be used to benefit them directly. Upon motion of Chief Dybdal, seconded by Captain Walker, the Committee unanimously approved recommending to the LAFC that year-ending reserves of the existing districts be used only for replacement of firehouses within the original districts. The intent was expressed that any additional firehouse (meaning a fourth) would be the responsibility of the entire new consolidated district.

At the close of the meeting, Chairman Burns agreed that he would present the Reorganization Committee's report to the LAFC.

Respectfully submitted,

David J. Williams  
Secretary to Committee



Approved as to form:



Deputy County Counsel

LOCAL AGENCY FORMATION COMMISSION OF ALAMEDA COUNTYRESOLUTION NO. 74-34

WHEREAS, a Resolution of Intention to initiate proceedings for the creation of a fire protection district in lieu of County Service Area F-1965-4 was heretofore filed with the Executive Officer of the Local Agency Formation Commission; and,

WHEREAS, said Executive Officer has received said application and prepared a report, including his recommendations thereon, noting that a Negative Declaration of Environmental Impact had been filed, and said application having been presented to and considered by this Commission; and,

WHEREAS, on September 19, 1974 and October 24, 1974, the Local Agency Formation Commission heard and received all oral and written protests, objections and evidence which were made, presented or filed, and all persons present were given an opportunity to appear and be heard in respect to any matter relating to said application and report; and,

WHEREAS, this Commission did find as follows:

- a) That since there are other alternatives to the formation of a special district, which might also meet the needs of the community and be more nearly consistent with existing policy of this Commission; and
- b) In that information, data, and study of alternatives is desirable and provided for under Title 6, Division 3 of the Government Code (beginning with Section 56220);

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED:

- a) That the proposal to create a Fire Protection District is referred to a Reorganization Committee; and
- b) That Ashland Fire Protection District, Cherryland Fire Protection District, and County Service Area F-1965-4, are to be included as agencies to be studied by said Reorganization Committee and have representatives to serve on said committee; and

(continued - Page 2)



RESOLUTION NO. 74-34

2.

- c) That each agency shall have three representatives to serve on said Reorganization Committee and it is recommended to the governing board of each agency, that at least one of the three members appointed by each agency not be a Fire Commissioner or individual serving in an advisory capacity for the respective agency; nor a fireman; with the intent that a public member be appointed to insure citizen participation; and,
- d) That the first Reorganization Committee meeting is set for November 20, 1974; and,
- e) That said Reorganization Committee is directed to report back on January 23, 1975 to this Commission its findings and recommendations; and,
- f) That the Executive Officer is hereby directed to provide staff support to the Reorganization Committee.

I CERTIFY THAT THE FOREGOING IS A  
CORRECT COPY OF A RESOLUTION A-  
DOPTED BY THE LOCAL AGENCY FOR-  
MATION COMMISSION OF ALAMEDA  
COUNTY, CALIFORNIA October 24, 1974

ATTEST: November 15, 1974

ROLAND MAYNE, Executive Officer





# LOCAL AGENCY FORMATION COMMISSION COUNTY OF ALAMEDA

ADMINISTRATION BUILDING  
OAKLAND, CALIFORNIA 94612

ROOM 555  
\*\*\*\*\*

1221 OAK STREET  
TELEPHONE 874-6256

EXECUTIVE OFFICER  
ROLAND MAYNE

April 15, 1975

TO: FIRE DISTRICT REORGANIZATION COMMITTEE

FROM: David J. Williams, Secretary *[Signature]*

SUBJECT: Major Financial Demands - Three District Operation

## MEMBERS

JOSEPH P. BORT  
ARTHUR R. FLEGAL  
Jack Maltester  
HAROLD B. MURPHY  
JOHN D. MURPHY

## ALTERNATE MEMBERS

FRED F. COOPER  
Tom Kitayama  
THOMAS H. SCHWESER

At your meeting on March 20, 1975, the Committee requested that Chief Dennis and Chief Dybdal meet to recommend major cost items which might be needed in a consolidated district. The Committee was concerned that the "operating" funds in and by themselves did not reflect all of the costs to be faced by a consolidated district.

Three areas were discussed by the chiefs as being items which might need major financing. They were, as follows:

### I. Elevated Platform or Aerial Truck

The Chiefs expressed the belief that an Elevated Platform (EP) or aerial truck might be a major piece of equipment which a consolidated district could acquire. Two considerations relate to discussion of this item. One, the Committee is reminded that study up until this time has only considered a consolidated district with an "existing" level of service. Addition of a major new piece of equipment such as an EP truck represents an "increased" level of service. Second, the actual realistic requirement for an EP or aerial truck, and its associated benefits, must be measured against its cost and the availability of such equipment from nearby cities (San Leandro or Hayward). Such availability makes justification for Ashland, Cherryland, and San Lorenzo to acquire a truck independently most difficult.

The following are methods for financing an EP or aerial truck:

. . . Reserve Accumulation: The Chiefs expressed the belief that if the decision were made to purchase an EP or aerial truck, a designated reserve fund could be set up to accumulate funds. As an example, if a goal were set to accumulate new funds beginning in 1975-76, 3¢ on the tax rate of a consolidated district would generate \$134,349 plus interest, over three years (assuming 8% AV growth). This amount, with its interest, plus annual normal operating surpluses, could be expected to accumulate to \$150,000 within three years, enabling the acquisition of a truck.



. . . Lease-Purchase: The drawback to the aforementioned method of financing, of course, is that there would be a three-year wait to acquire a truck. Section 13917.5 of the Health and Safety Code permits fire districts to acquire equipment using a purchase contract. This method of financing is commonly used by small fire departments when acquiring fire trucks. It permits a district to incur up to 10 years of indebtedness with a maximum of 8% annual interest.

. . . Liquidation of Current Assets: If the consolidated district were formed within the next two years, there would be available cash assets to acquire a EP truck. These funds would be available from accumulated surpluses in the present districts. Since reserves in Ashland and in San Lorenzo are earmarked for construction of firehouses, Cherryland's reserve would possibly be available. However, Cherryland residents might object to usage of "their" district's funds for financing a truck which would service the entire district. On the other hand, Cherryland would enjoy several benefits through a consolidated district. For example, Cherryland presently has the highest tax rate (\$.897). This rate undoubtedly would drop in a consolidated district. Also, since Cherryland is the centrally-located fire station within the three districts, it is highly probable that two of the four fire companies would be housed at that facility, providing the residents of Cherryland with more manpower closer at hand. Finally, there is the long-range consideration that in five years, Cherryland will probably need to do something about its own firehouse. At that time, after having been consolidated for five years, it is probable that the residents of the entire district, including Ashland and San Lorenzo, would end up supporting a new firehouse in the Cherryland area of the district.

With any of the three methods of financing an EP or aerial ladder truck discussed in the above, must come the consideration that some liquidation of existing trucks could occur. Specifically, existing inventory of fire line pumpers includes six pieces of equipment. Since there would only be four fire companies manned on a 24-hour basis, at least two of these pumpers would receive little use and could be sold. Additionally, if an EP truck were acquired and was considered as the fourth piece of equipment manned on a 24-hour basis by a company, then three of the first line pumpers could be sold. Whether two or three were sold, the net effect would be acquisition of further cash to finance an EP or aerial truck, reducing the overall financing needs discussed above. The idea of selling any existing equipment was a staff idea, and not suggested by the Fire Chiefs.

While the need for an elevated platform truck is certainly questionable, an additional consideration, far less expensive, would be to utilize a "squirt" apparatus now being implemented by some fire departments. This unit can be fixed onto existing pumpers, permitting the throw of water from above roof-level on buildings up to three stories. Such a device would not have all of the advantages of an elevated platform, but might be a cost-benefit compromise.



## II. Training Facility

The Chiefs discussed in general terms some of the needs associated with problems of having a training facility in a consolidated district. An overriding consideration would be the significant cost which would be involved. Recently, for example, the City of Hayward considered constructing a training facility at a new fire station near the Airport. The plan was abandoned due to prohibitive costs.

Another reason that development of a training facility would be poorly justified, compared to its cost, is the proximity of San Leandro's new and very adequate training facility. The City does not have at this time any policy regarding the usage of the facility by other fire departments. This lack of a definitive policy results from the fact that there have been no inquiries by neighboring departments for its use. The Chief of San Leandro has only informally indicated the possibility that arrangements could be made; however, he stressed that the matter has not been explored with City management.

In considering a training facility, the Chiefs noted what would be an additional benefit if the present three districts were consolidated. This benefit evolves around the fact that currently each independent district is unable to send men very far away or to adjacent areas out of the district to train since there is a lack of coverage when they do so. With a consolidated district, and four fire companies in service at all times, it would be possible for one company to leave for short periods of time to train.

No further consideration was given to a training facility. Any future consideration of a training facility would certainly be one for the governing board of a consolidated fire district. Financing of such facility could come about through either accumulation of funds which go unspent or through a bond issue approved by voters.

A third method, and perhaps the most feasible to encourage training programs, would be the formation of a Joint Powers Agency which could issue revenue bonds without a vote to construct a facility. Each member of the agency would then pay into the agency and thus pay off the bonds.

## III. Cherryland Firehouse

The other major future cost item which would be faced by a consolidated district would be the construction of a new firehouse in Cherryland. The present firehouse, while adequate, is both small and aging. Consideration of its replacement is not deemed as a subject which needs to be





considered now, but would, in the distant future (perhaps in 5 years or more). As alluded in the foregoing, some financing could come from surplus funds which accumulate, but more likely through either a bond issue or setting up a separate tax zone for the Cherryland area. To repeat, since this is an issue which is still five years or more away, it is not deemed as appropriate for consideration by this study.

#### SUMMARY

To summarize, there are no major expenditures, of a defined nature, which have been approved by any policy body by any one of the existing districts. As in the past, finances will govern acquisition of equipment and construction of firehouses. Ultimately, if the opportunity arises for the districts to acquire major capital items, the type and amount should be determined by the governing body responsible to the electorate. It is recommended that the Reorganization Committee consider only funding necessary to maintain present manpower levels.

DJW:hs

cc: Members of Fire District  
Reorganization Committee





TO: Members of the Fire District Reorganization Committee

FROM: Richard S. Burns  
President, San Lorenzo Village Homes Association

SUBJECT: Reasons for proposed Fire District

The San Lorenzo Village Homes Association has filed for the formation of an independent Fire District to replace the existing County Service Area 1965-4. The reasons for the action are as follows:

1. Continuation of existing Fire Service operation.
2. Public employee status for all firemen.
3. Local control and operation of fire and safety services.
4. Continued low cost to taxpayers.

Items 1 and 2 would also be true with any consolidation. Item 3 is obvious. If consolidated, we would lose some degree of control.

Item 4 was computed thusly: 1974-75 Operating Budgets

Ashland	\$ 361,745
Cherryland	331,936
San Lorenzo	409,351
	<hr/> 1,103,032
Unsecured tax revenue	- 69,495
To be raised by secured tax	<hr/> 1,033,537

<u>\$128,214,561 A.V.</u>	
per \$100 A.V.	\$1,282,146 X .01 \$12,821

<u>\$1,033,537</u>	
\$12,821	80.6¢ tax rate

Current San Lorenzo tax rate is 80.3¢



# LOCAL AGENCY FORMATION COMMISSION COUNTY OF ALAMEDA

ADMINISTRATION BUILDING  
OAKLAND, CALIFORNIA 94612

ROOM 855  
\*\*\*\*\*

1221 OAK STREET  
TELEPHONE 874-6253

## MEMBERS

JOSEPH P. BORT  
ARTHUR R. FLEGAL  
Jack Maltester  
HAROLD B. MURPHY  
JOHN D. MURPHY

## ALTERNATE MEMBERS

FRED F. COOPER  
Tom Kitayama  
THOMAS H. SCHWESER

EXECUTIVE OFFICER  
ROLAND MAYNE

September 13, 1974

The Honorable Commissioners of  
The Local Agency Formation Commission  
of Alameda County

Subject: "Formation of San Lorenzo Fire Protection District"

Gentlemen:

The Alameda County Board of Supervisors has submitted a resolution requesting to initiate proceedings to reorganize a County Service Area into a Fire Protection District. The area proposed to be reorganized is known as County Service Area F-1965-4, encompassing 2.6 square miles in San Lorenzo.

The Board of Supervisors filed the proposal at the request of the San Lorenzo Village Homes Association. Concurrently, the Board authorized the Association to prepare the LAFC questionnaire and represent the proposal during its consideration.

Under this proposal, the basic changes occurring would be: dissolution of the service area and phasing out of the contract the County (service area) has with the Association for fire services; and creation of a new independent governmental entity. Assets owned by the County on behalf of the service area would transfer to the district. The District would have to either acquire or continue to rent the fire station from the Association. A major reorganization such as this would require an election, including approval of maximum tax rate.

The proposal for a new special district has evolved for several reasons. They stem from the fact that the County Service Area was created as an interim measure in 1965 pending San Lorenzo's maturing into an incorporated community by itself or through annexation. As a result, a contract for fire services has existed with the Association. The County no longer wishes to sustain the contract. Another reason for the proposal is a consensus that the firemen employed should be under the same type of public employment system as neighboring firemen. A direct benefit would be the receipt of public retirement system benefits.

### Existing Policy

Your Commission's adopted policy pursuant to "Spheres of Influence - Policies, Guidelines, Criteria & Procedures of Alameda County" (approved March 22, 1973) determined, as follows:

#### "I. Priorities on Annexations and Special District Formations

"The general policy of the Commission, subject to logical exceptions, is that all urban development, whenever reasonable, shall be municipal development. Unless there are strong reasons to change it, priorities in annexations to governmental entities to promote this policy shall be in the following order:



Honorable Commissioners of  
The Local Agency Formation Commission

September 13, 1974

- "1) Annexation to a city, rather than a special district, if both can provide the same services at approximately the same cost of environmental impact.
- "2) Annexation to a district or a city rather than the formation of a new special district or city.
- "3) Formation of a new political entity is the last alternative.

Whenever a new political or taxing entity is indicated, the formation of a self-governing special district is the least desirable."

Recognizing the undesirability of forming a new independent single-purpose district (as contrary to policy), the question must be addressed of whether there is sufficient justification to "take exception" to the policy? Staff review of the situation indicates the answer is "No," and the reasons are found in analysis of alternatives to creating a special district.

Alternative I - Annexation to a City

Annexation to an adjacent city, which already possesses a system of fire protection, is one method for the San Lorenzo service area to receive fire services.

Compounding the need to consider the possibility of annexation is the array of other services which a developed area, such as San Lorenzo, can best receive through a municipal structure. In addition to fire services, police, planning, building inspection, street maintenance and others, are services which would be provided by a city.

More specific consideration of annexation involves the cities adjacent to San Lorenzo; namely San Leandro and Hayward. At the time the proposal for the new district was received, both were queried as to their interest in annexing the service area. Their responses are attached. While the management of both cities did not "close the door" on annexation in their responses, there was no enthusiasm expressed, either. The positions expressed confirm the need for some definitive action on both a short and long-range basis. The opportunity for such action is afforded in this proposal, but will require cooperation from agencies and citizens.

A complete study of potential changes as a result of annexation would require more review than afforded in this report; however, a cursory review of the potential financial implications is significant. San Leandro has a relatively low city tax rate. Annexation of San Lorenzo to San Leandro could directly affect rates paid by taxpayers to the County Library District and the Hayward Area Recreation and Park District; as well as eliminating the fire service area rate. Theoretically, there could be a significant decrease for San Lorenzo property owners.





Honorable Commissioners of  
The Local Agency Formation Commission

September 13, 1974

Alternative II - Annexation to/or Reorganization With An Existing District

As alluded to in the discussion of established LAFC policy, annexation to or reorganization with an existing governmental unit, is preferable to creation of a new special district. From a geographical standpoint, the logical adjacent existing agency to consider for consolidation is the Cherryland Fire Protection District; a second choice would be consolidation with the Ashland Fire Protection District.

A reorganization of the three districts should be seriously considered.

The process of joining Cherryland could come about through annexation or by a complete reorganization. The long-range effect would be the same. However, with annexation, the current Cherryland Board of Directors would govern until an election. With reorganization, a new Board would be created to govern from the time of consolidation (via election).

It is difficult to predict the financial impact of consolidation for a variety of reasons: First, the level of service to be provided among both areas would affect costs, and thus, tax rates. A second factor would be savings via consolidated administration. A third factor, directly related to San Lorenzo, would be the additional cost of bringing firemen into a public retirement system (current firemen in the service area are employees of the Association, and are not members of any public retirement system; and the liability of purchasing a fire station. All of these factors would be reviewed by the reorganization committee and reported to the Commission.

Alternative III - Continued County Service Area - County Operated

Another alternative available to insure the provision of fire services to San Lorenzo would be to sustain the existing county service area and have the County itself operate a fire service.

This proposal is less desirable than Alternative I or Alternative II, but still preferable to the creation of a new special district. It would provide a mechanism for the employees to come under a public retirement system (one of the objectives of the current proposal). However, local residents in San Lorenzo might be opposed to having their service governed by the Board of Supervisors of Alameda County.

Sustaining the county service area would not immediately affect the tax rate of the area. While retirement costs would increase, savings would accrue through lower administrative costs now being borne. An election would not be required to effect this proposal.





Honorable Commissioners of  
the Local Agency Formation Commission

September 13, 1974

#### Alternatives Summarized

The alternatives available, recommended as being more desirable than the creation of a new special district include:

- Alternative I - Annexation to an adjacent city;
- Alternative II - Consolidation with an existing adjacent fire district - either through annexation or reorganization;
- Alternative III- Sustaining the County Service Area and requesting the County to operate a fire service,

#### CONCLUSION

It cannot be said that there are no drawbacks to the alternatives discussed above. However, matched against the proposed creation of a new independent, single-purpose special district, which would further fragment the County's local government structure, it is apparent the proposal is a poor option.

While the liabilities of special district government have been known for some time, it is noteworthy to amplify upon one key potential new problem which could evolve under this proposal. As defined, special districts are independent and there is no interrelation with other governmental activities coexisting in the same area. The result is piecemeal and lack of overall administrative and policy planning in organizing resources.

#### RECOMMENDATION:

Under the District Reorganization Act of 1965, your commission has the opportunity of deferring this proposed reorganization and referring it to a reorganization committee for study, report and recommendations. Such a committee would be able to explore the possibility of annexation and/or reorganization with the Cherryland and/or Ashland Fire Protection Districts. Such recommendation would not rule out the possibility for annexation. However, if annexation is only a long-range solution rather than a short-range basis, action must commence to secure the most desirable and immediately available means of providing fire services.



Honorable Commissioners of  
The Local Agency Formation Commission

September 13, 1974

THEREFORE, IT IS RECOMMENDED:

- 1) That the proposed reorganization of County Service Area F-1965-4 be expanded to include consolidation with Cherryland and/or Ashland County Fire Protection Districts;
- 2) That the proposal be continued for one month, pending staff study and consultation on the establishment of a reorganization committee.

Respectfully submitted



ROLAND MAYNE  
Executive Officer

RM:DJW:hs

Attachments

cc: Members of the Commission

Boards of Fire Commissioners of  
Ashland and Cherryland Fire Districts  
Cities of Hayward and San Leandro  
San Lorenzo Village Homes Association  
Stark, Stewart, Simon & Sparrowe  
Mrs. Lois Brown



**CITY OF HAYWARD . OFFICE OF CITY MANAGER**

August 22, 1974

Roland Mayne, Principal Administrative Analyst  
Local Agency Formation Commission  
County of Alameda  
1221 Oak Street, Room 555  
Oakland, California

Dear Mr. Mayne:

Thank you for your letter of July 25, 1974, and the opportunity to comment on the City of Hayward's interest in annexation of the San Lorenzo area.

This attractive residential area has, of course, long been a logical part of our general planning area, and the City of Hayward recognizes its responsibility to consider annexation bids from our unincorporated fringe areas.

As you know, this matter was carefully reviewed in 1965, and at that time neither San Lorenzo nor the City of Hayward was interested in pursuing the idea of annexation. In any event, I believe it is fair to say that the most important initial factor is a strong positive interest on the part of the citizens of San Lorenzo.

In the absence of such interest, the City of Hayward has no desire whatever to take any unilateral action, and would not even contemplate any further examination of the matter. Thank you again for the opportunity to comment on this question.

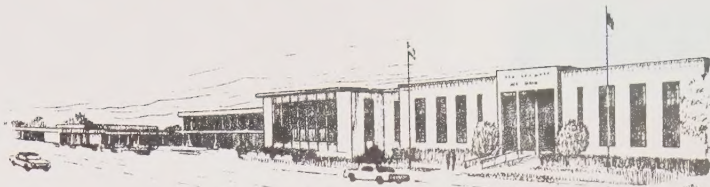
Sincerely yours,

*W. C. Hanley*  
W. C. Hanley  
City Manager





City of San Leandro  
Civic Center, 835 E. 14th Street  
San Leandro, California 94577



Office of City Manager 415-638-4100

September 4, 1974

Mr. Roland Mayne  
Principal Administrative Analyst  
Local Agency Formation Commission  
County of Alameda  
1221 Oak Street, Room 555  
Oakland, California 94612

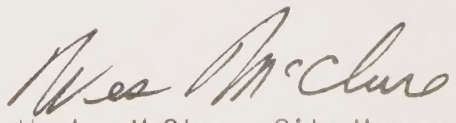
Dear Mr. Mayne:

San Leandro has always felt that heavily populated urban areas can be best served by a city government, and we feel that this generality applies to San Lorenzo. Perhaps the time is not right for annexation or incorporation of San Lorenzo but we feel that provision of some form of general purpose municipal government for San Lorenzo should be part of LAFCO's long range plan.

It seems premature to ask either San Leandro or Hayward to consider annexation of San Lorenzo until LAFCO has established spheres of influence for both cities. However, we also suggest that a final decision on the formation of a new independent fire protection district not be made until a thorough study of alternatives for San Lorenzo has been completed.

Keeping with the trend of de-emphasizing "independent" special districts, it would appear that San Lorenzo's current options should include setting up the fire services as a "dependent" fire district which could give it governmental status through the County Board of Supervisors, and permit the San Lorenzo Village Homeowners Association Board to serve as the advisory board of directors of the district.

Yours very truly,

  
Wesley McClure, City Manager

WM:zs





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